

STATE OF MAINE
PUBLIC UTILITIES COMMISSION

Docket No. 98-731

December 1, 1998

BELL ATLANTIC - MAINE
Interconnection Agreement
with Lightship Telecom, LLC

ORDER APPROVING
INTERCONNECTION
AGREEMENT

WELCH, Chairman; NUGENT and DIAMOND, Commissioners

In this Order, we approve an interconnection agreement between New England Telephone and Telegraph Company d/b/a Bell Atlantic (Bell Atlantic) (f/k/a NYNEX) and Lightship Telecom, LLC, pursuant to section 252 of the Telecommunications Act of 1996.

On September 18, 1998, Bell Atlantic filed a negotiated interconnection agreement with Lightship Telecom, LLC, pursuant to 47 U.S.C. § 252 enacted by the Telecommunications Act of 1996. Interconnection agreements provide for interconnection between an incumbent local exchange carrier (ILEC) and another telecommunications carrier, including a competitive local exchange carrier (CLEC). An interconnection agreement may allow a telecommunications carrier to purchase unbundled network elements, or local services at a discounted wholesale rate (the discount reflecting avoided cost), or both, from an ILEC (or CLEC). The agreement incorporates by reference the entirety of an interconnection agreement between NYNEX and KMC Telecom, Inc., approved by the Commission on June 17, 1997 in Docket No. 97-194 (the "Separate Agreement").

On November 20, 1998, Bell Atlantic filed a revised page 5 of the Separate Agreement, correcting a reference to NYNEX's schedule of terms and conditions.

Lightship Telecom, LLC will pay to Bell Atlantic the interconnection prices contained in the voluntary agreement that was reached pursuant to arms-length negotiations between the parties. The pricing standards contained in 47 U.S.C. § 252(d) apply only to arbitration proceedings under section 252(b) and not to negotiated agreements under section 252(a). Bell Atlantic does not represent that the prices contained in the Agreement are consistent with the section 252(d) pricing standards or with any other state or federal policy.

Section 252(e)(2) states that a state commission may reject a negotiated agreement only if it finds that "the agreement (or portion thereof) discriminates against a telecommunications carrier not a party to the agreement" or if "the implementation of such agreement or portion is not consistent with the public interest, convenience and necessity." We received no comments by the comment deadline set in a September 30, 1998 Notice of Agreement and Opportunity to Comment.

We cannot make either of the findings set in section 252(e)(2) for rejection, and we therefore approve the agreement. We qualify that approval in two respects, however, and reserve findings on future potential issues.

First, we reserve judgment on whether the rates contained in the agreement are reasonable from the perspective of Bell Atlantic's retail ratepayers. Bell Atlantic is presently under an alternative form of regulation (AFOR) ordered by the Commission in Docket No. 94-123. The AFOR began in December, 1995. Under the AFOR, Bell Atlantic bears the risk of lost revenues resulting from rates that are too low. However, at the end of the initial 5-year period of the AFOR, and in 2005 if the present AFOR is renewed, we may have occasion to review Bell

Atlantic's earnings. We do not resolve whether Bell Atlantic is receiving reasonable compensation from any CLECs that may avail themselves of the rates provided to Lightship Telecom, LLC pursuant to 47 U.S.C. § 252(i) and, if they are not reasonable, whether we should impute revenues to Bell Atlantic.

Second, section 271(c) of the Act, 47 U.S.C. § 271(c), requires that the Bell Operating Companies (BOCs) meet certain requirements before they are allowed to provide interLATA service (the so-called "competitive checklist"). Under section 271(d)(3), the Federal Communications Commission (FCC) must determine whether the BOC has met the competitive checklist before granting the BOC authority to provide interLATA service within its region. Prior to making that determination, the FCC must consult with state commissions "in order to verify the compliance of the Bell operating company" with the checklist. Our approval of this Agreement should not be construed as a finding that Bell Atlantic has met those requirements.

The Separate Agreement incorporated into the agreement filed by Bell Atlantic incorporates a blank Schedule 4.0 titled "Network Interconnection Schedule." That Schedule is apparently intended to set "the earliest date on which 'live' customers traffic between KMC and NYNEX will occur." We note that the schedule contains a note that further information is to be provided by the parties at a later date. When the parties agree on a time frame to implement the filed agreement, they should file a completed Schedule 4.0 as an amendment to the agreement we approve today.

Separately, in Docket No. 98-333, Lightship Telecom, LLC petitioned for a finding of public convenience and necessity to provide local exchange telecommunications services in Maine. We granted Lightship Telecom, LLC authority to provide service as a

local exchange telephone utility in that proceeding on September 10, 1998.

The agreement filed by Bell Atlantic provides for interconnection between Lightship Telecom, LLC and Bell Atlantic's network in Maine. If Lightship Telecom, LLC seeks to interconnect with networks maintained by independent local exchange carriers in Maine, it must seek a termination, suspension, or modification of the exemption contained in 47 U.S.C. 251(f)(1)(A).

ORDERING PARAGRAPHS

Accordingly, we

O R D E R

1. Approve the Interconnection Agreement between New England Telephone and Telegraph Company d/b/a Bell Atlantic (f/k/a NYNEX) and Lightship Telecom, LLC, as revised by a corrected page 5 to the incorporated Separate Agreement, filed on September 18, 1998, attached hereto, pursuant to 47 U.S.C. § 252(e); and

2. Order that the Administrative Director shall make a copy of the attached Agreement available for public inspection and copying pursuant to 47 C.F.R. § 252(h) within 10 days of the date of this Order.

Dated at Augusta, Maine this 1st day of December, 1998.

BY ORDER OF THE COMMISSION

Dennis L. Keschl
Administrative Director

COMMISSIONERS VOTING FOR: Welch
Nugent
Diamond

NOTICE OF RIGHTS TO REVIEW OR APPEAL

5 M.R.S.A. § 9061 requires the Public Utilities Commission to give each party to an adjudicatory proceeding written notice of the party's rights to review or appeal of its decision made at the conclusion of the adjudicatory proceeding. The methods of review or appeal of PUC decisions at the conclusion of an adjudicatory proceeding are as follows:

1. Reconsideration of the Commission's Order may be requested under Section 1004 of the Commission's Rules of Practice and Procedure (65-407 C.M.R. 110) within 20 days of the date of the Order by filing a petition with the Commission stating the grounds upon which reconsideration is sought.
2. Appeal of a final decision of the Commission to the Maine Supreme Judicial Court, sitting as the Law Court, is not available, as provided in 47 U.S.C. § 252(e)(6).
3. Review of this discussion is available to an aggrieved party by bringing an action in federal district court, as provided in 47 U.S.C. § 252(e)(6).

Note: The attachment of this Notice to a document does not indicate the Commission's view that the particular document may be subject to review or appeal. Similarly, the failure of the Commission to attach a copy of this Notice to a document does not indicate the Commission's view that the document is not subject to review or appeal.